

Totem Lake

On Track News Bulletin

A Public Private Partnership Working to Revitalize Totem Lake



12345 NE 116th Street · Kirkland, WA 98033
800.645.2533 · www.tdcurran.com

Slater 116, a mixed-use building considered a gateway to Totem Lake, welcomed new tenant TD Curran in late 2013.

TD Curran is an independent Apple dealer that features Mac computers, iPhones, iPads, iPods and a complete line of Apple accessories. It offers hands-on diagnosis and troubleshooting both in its store and onsite at a customer's home or workplace. No appointments are necessary, and some repairs can even be completed right on the spot. All six employees maintain the Apple Product Professional designation.

The store has a cozy learning center, complete with comfortable seating and a fireplace, where customers can learn how to use their purchases for \$99 a year.

The Totem Lake location was selected in part because it fits a criterion established by Apple that requires its dealers to lie outside a prescribed distance of its company-owned stores. Easy access to I-405, five dedicated garage parking spots, and 2,200 square feet of leasable space made Slater 116 the right choice for the business.

The store is open from 9:00 a.m. to 6:00 p.m. Monday through Friday and 10:00 a.m. to 6:00 p.m. on Saturdays. The store is closed on Sundays.



td curran team member Dave Martin

The company was founded by Troy Curran in 1992. In addition to Totem Lake, it has stores in Bellingham, Burlington, Issaquah and Portland, OR.

Industrial Land Study

This past quarter, as part of the Comprehensive Plan Update 2035, the City of Kirkland retained Heartland LLC to conduct a study of land that is zoned for industrial uses. The study aimed at understanding the regional industrial and commercial real estate market, and how best to classify Kirkland industrial land to accommodate existing businesses while anticipating the future land use requirements of the community.

Kirkland has 20% of its land in industrial uses (the equivalent of 18% of the Eastside inventory) and 2.3 million square feet of built space for industrial businesses. Eight percent (8%) of Kirkland employees work in the industrial sector. Existing space is functioning well with under 6% vacancy rate with the exception of the Parmac Business Park at 10%.

The value of industrial businesses to Kirkland is one question that needs to be considered before a broader consideration of how much land should be devoted to these uses. Businesses that occupy industrial buildings are often 'workbench' businesses that supply other businesses. Or, in the case of auto repair and other smaller-scale operations, there are direct benefits to the community given the proximity of necessary goods and services. In general, according to an Industrial Lands Study prepared by economist Chris Mefford for the Puget Sound Regional Partnership, industrial uses provide the following benefits:

- Businesses that pay living wages,
- Businesses whose jobs have fewer credentials with lower barriers to entry,
- Businesses that add diversity to the economy,
- Businesses that support a skilled workforce and that continue the American tradition of making things, plus

- According to the Mefford study, each industrial job has a multiplier of 2.5 and for each \$1 in wages, \$1.82 in wages are paid out to the community
- Kirkland's primary industrial businesses include: aerospace, medical equipment, communications and analytical labs

New industrial businesses often reuse existing space and aggregate light industrial, laboratory, warehouse, and office space in the form of flex space in a single facility or campus. Heartland also observed that the Kirkland industrial cluster functions as an ecosystem, with uses that support other uses, especially in aerospace and automo-



Astronics

otive sectors. A visit to two Totem Lake businesses, Systema Technologies and Astronics, by the Kirkland Planning Commission, drove this fact home, as Systema has been testing products that Astronics is manufacturing. Similarly, Nytec, that just opened on 6th Street South in a light industrial zone, develops prototypes for Microsoft and other tech companies.

And Lake Washington Institute of Technology also offers innovative programs such as machining, welding, engineering graphics, multimedia design, information technology and healthcare designed to support the needs of local and regional businesses."

As for the immediate future, there appear to be no threats to industrial areas (with relatively low market rates that do not attract higher uses.) For example, office development is predicted to occur primarily in Bellevue, and in Kirkland's case, in and around downtown.

Alfa Romeo & Maserati of Kirkland

12828 NE 124th Street · Kirkland, WA 98034
425.823.4798 · www.rairdon.com

Greg Rairdon gives Fiat CEO Sergio Marchionne high marks for moving swiftly to improve the quality of Chrysler's products and to lay the groundwork for the re-introduction of the Fiat brand in the United States after a more than 25-year absence. Fiat of Kirkland opened its doors in the spring of 2011.

In 2014, Rairdon was selected by Fiat Chrysler to be one of the dealerships that will be responsible for re-introduction of the premium Alfa Romeo brand in the United States. Many boomers will remember it as the swank Italian sports car that Dustin Hoffman drove in *The Graduate*. Beginning in December 2014, the Alfa Romeo 4C



Alfa Romeo 4C

“And if an Alfa Romeo isn't fancy enough for you, how about a Maserati? That brand has just been added to Rairdon's lineup as well, and can be purchased now.”

two-door coupe will be available for purchase in Kirkland for around \$55,000. Additional models will be available in the future.

And if an Alfa Romeo isn't fancy enough for you, how about a Maserati? That brand has just

been added to Rairdon's lineup as well, and can be purchased now. The Ghibli, Maserati's newest creation, is a sports sedan that blends the soul of a Gran Turismo with a powerful new shape. It retails for around \$69,000. Rairdon said that a Maserati SUV will be introduced soon, and he predicts it will be a big seller based on the number of Jeep Grand Cherokees that he has sold over the years.

A new building that will serve as the showroom for both new brands is under construction. Rairdon believes that the new lines will compete well with other luxury brands like Mercedes, Audi and BMW, and help to stem the loss of luxury car buyers to neighboring cities like Seattle and Bellevue.

Other signs of health in the automotive retailing sector in Totem Lake include the opening of Volkswagen of Kirkland and the expansion of both Ford/Hyundai and Toyota of Kirkland. As is shown in the chart on page four, retail automotive/gas sales receipts accounted for over sixty percent (60%) of the district's total for the first half of 2014.

Maserati Ghibli



On Schedule Northeast 120th Street Extension

The City of Kirkland is building an 880-foot-long extension of Northeast 120th Street. The extension will connect Slater Avenue Northeast and 124th Avenue Northeast. The Contractor, Sanders Construction, began construction in February 2014 and is expected to be complete by the end of 2014. The new road will improve

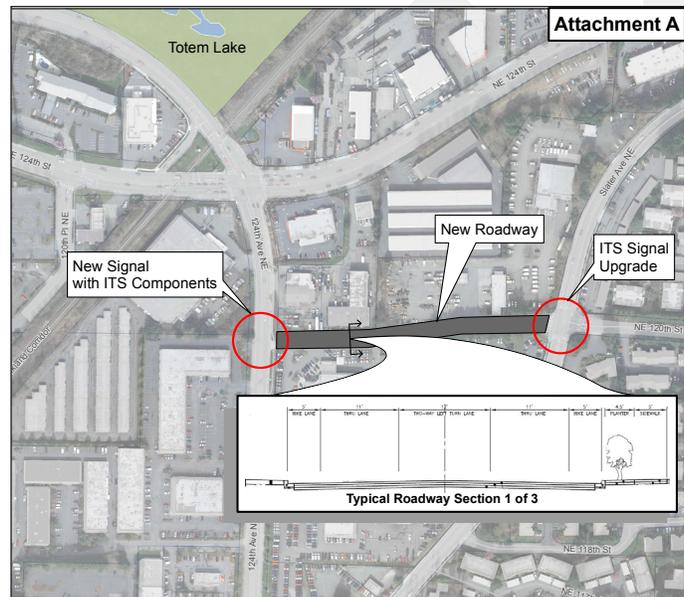
The new road will improve Totem Lake's traffic circulation, as well as access for commerce, emergency responders and cyclists & pedestrians.

Totem Lake's traffic circulation, as well as access for commerce, emergency responders and cyclists and pedestrians. And it will feature east- and west-bound thru lanes, a two-way-left-turn lane, bike lanes and sidewalks on both sides of the street. It will also feature a new Intelligent Transportation Systems-

equipped traffic signal at its intersection with 124th Avenue Northeast. The City will upgrade the existing traffic signal at Northeast 120th Street and Slater Avenue with Intelligent Transportation Systems technology. For more information contact Aparna Khanal, Project Engineer, at AKhanal@kirklandwa.gov or call (425) 587-3827.

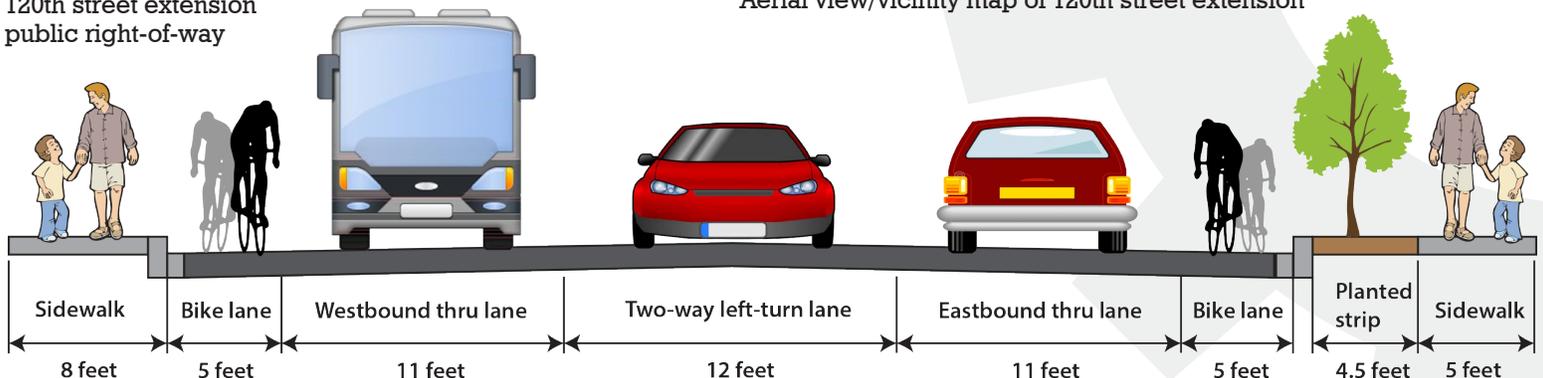


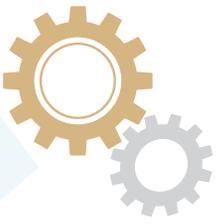
120th street extension job site



Aerial view/vicinity map of 120th street extension

Cross Section of 120th street extension public right-of-way





Kirkland has not seen huge growth in the industrial sector and limited growth is predicted. Those that are here like DeYoung Manufacturing continue to benefit from a large pool of talented employees who live within commutable distance from the workplace, but do not anticipate growth. Astronics is an exception with plans to expand and build an additional building on land it purchased for that purpose.

Several key issues have emerged from the analysis that continue to be discussed as part of plan updates:

- That the price of housing is often higher than what employees can afford leading to longer commutes, and in some cases unfilled positions
- That residential uses and related schools and other amenities often conflict with industrial operations (DeYoung)
- That land is expensive and primarily in small parcels so there is limited opportunity for existing businesses to expand locally
- Existing policies can rein in industrial uses in favor of commercial office. This is the case in PARMAC, an industrial park in the southwest quadrant of the Totem Lake Business District. The Heartland Study suggests that office development is more likely to occur in the downtown where other offices and amenities exist. Should policies that restrict industrial uses in Totem Lake become more flexible?
- Should Kirkland stay with the industrial status quo or go where the market is – perhaps residential – to possibly see development more quickly?
- Should zoning that is now flexible become more prescriptive to buffer industrial uses from residential and commercial ones?

Each of these questions will be explored by the Planning Commission and the City Council this fall. Kirkland needs your input today! Continue to tune in to 2035 and watch for these issues at Planning Commission meetings. Contact Dorian Collins at 425.587.3249 or Ellen Miller-Wolfe at 425.587.3014 with your thoughts.

Trending

Industrial uses have changed considerably over the last several decades. The advent of automation and technology as well as the impact of the global economy have changed the core of how and where products are manufactured. Regionally, there is a discernable movement of light industry to the fringe areas of the region as the value of land in densifying areas such as Kirkland becomes unaffordable, let alone the challenge of co-existing side-by-side with residential and office uses which are not always compatible with their activities. The State of Washington adopted streamlined sales tax, mandating collection of sales tax at point of delivery instead of the previous point of origin and in that respect, diminished the economic value of light industrial uses including warehousing to the communities that have them.



Astronics System integration lab

Comprehensive Plan Update 2035

Throughout 2014 and 2015, Kirkland will continue to update its Comprehensive Plan. The Comprehensive Plan is a document, required under the Growth Management Act, which looks toward a 20-year horizon for Kirkland. The Plan provides goals, objectives and policies to guide growth and development during this timeframe.

In addition to updating the core element chapters of the Comprehensive Plan, the City is updating the long-range plan for the Totem Lake business district. The Planning Commission is studying a variety of issues, including the district's light industrial areas, possible changes to the Totem Lake Urban Center boundaries (potentially to include the Lake Washington Institute of Technology and the Kingsgate Park and Ride), transportation, connections to the Cross Kirkland Corridor, mixed-use developments, etc.

Citizen Amendment Requests (CARs) were recently selected by the City Council to be studied during this Comprehensive Plan update process. Five of these requests are in the Totem Lake area (see [Council Packet - July 15](#)).

A "Planned Action" Environmental Impact Statement is anticipated for the Totem Lake area. The benefit of this more detailed environmental assessment is to make the development process simpler within this business district.



Current Totem Lake business sector information

	Active Licenses	Employees	FTEs*
Totem Lake	872 (10.8%)	11742 (32.6%)	12813 (31.5%)
City Wide	8053	35189	40708

*FTE is a full time equivalent employee

Business Sector	Jan - Jun Receipts		Dollar Change	Percent Change	Percent of Total	
	2013	2014			2013	2014
Retail Automotive/Gas	1,470,007	1,526,119	56,112	3.8%	60.6%	62.2%
Other Retail	493,855	492,160	(1,695)	-0.3%	20.3%	20.0%
Retail Eating & Drinking/Hotels	214,609	218,744	4,135	1.9%	8.8%	8.9%
Services	198,776	228,701	29,925	15.1%	8.2%	9.3%
Other	50,869	-10,317	(61,186)	-120.3%	2.1%	-0.4%
Total	2,428,116	2,455,407	27,291	1.1%	100.0%	100.0%